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June 1, 2001

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



COLLECTION

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$17.54 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$2.13 /LB

EFFECTIVE JULY 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.54 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 21.3 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.13.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$14.93 /CWT

Average spray process dry milk solids

price per pound = \$1.05750
Multiplied by 8.2 x 8.2

\$8.67150

\$8.67150

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.82050
Multiplied by 4.2 x 4.2

\$7.64610

+ \$7.64610

LESS a make allowance of 8.5% (\$16.3176 X .085)

\$16.31760

- \$1.38700

\$14.93060

Rounded to the nearest whole cent = \$14.93 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$2.02 /LB**

Last quote of the month for Grade AA butter
 minus a differential of \$.0895 = \$1.82050 X .111) = \$0.20208
 Rounded to the nearest half cent = \$0.202

Butterfat value per pound
 for milk at 3.5% test: \$2.02

Hundredweight price of milk testing 3.5% = \$14.93
 LESS 3.5 pounds of butterfat at \$2.02 per pound - \$7.070
 Value of 96.5 pounds of skim = \$7.860

CLASS II VALUE OF
 ONE POUND OF SKIM 7.860 / 96.5 pounds) = \$0.08145 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$12.69 /CWT**

3.5 pounds of butterfat \$1.64 per pound = \$5.740
 96.5 pounds of skim \$0.07197 per pound = \$6.945
 \$12.685 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.64 /LB**

Last quote of the month for Grade AA butter
 minus a difference of \$.0895 = \$1.82050
 LESS 10% - \$0.18205
 \$1.63845

Rounded to the nearest whole cent \$1.64 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$7.19735 /CWT**

Avg. spray process dry milk solid price/lb \$1.05750
 Multiplied by 8.2 8.2
 \$8.67150
 LESS 17% \$1.47416
 \$7.19735

Rounded to the nearest whole cent \$7.20 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAUCompiled by: Monte Nick

Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$17.54 FOR 3.5% MILK 96.5 LBS = \$10.085		CLASS II SKIM PRICE BASED ON \$14.93 FOR 3.5% MILK 96.5 LBS = \$7.860		CLASS III SKIM PRICE BASED ON \$12.69 FOR 3.5% MILK 96.5 LBS = \$6.945	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10344	2.50	\$0.08062	2.50	\$0.07124
2.55	\$0.10349	2.55	\$0.08066	2.55	\$0.07127
2.60	\$0.10354	2.60	\$0.08070	2.60	\$0.07131
2.65	\$0.10360	2.65	\$0.08074	2.65	\$0.07135
2.70	\$0.10365	2.70	\$0.08078	2.70	\$0.07138
2.75	\$0.10370	2.75	\$0.08082	2.75	\$0.07142
2.80	\$0.10376	2.80	\$0.08086	2.80	\$0.07146
2.85	\$0.10381	2.85	\$0.08091	2.85	\$0.07149
2.90	\$0.10386	2.90	\$0.08095	2.90	\$0.07153
2.95	\$0.10392	2.95	\$0.08099	2.95	\$0.07157
3.00	\$0.10397	3.00	\$0.08103	3.00	\$0.07160
3.05	\$0.10402	3.05	\$0.08107	3.05	\$0.07164
3.10	\$0.10408	3.10	\$0.08111	3.10	\$0.07168
3.15	\$0.10413	3.15	\$0.08116	3.15	\$0.07171
3.20	\$0.10418	3.20	\$0.08120	3.20	\$0.07175
3.25	\$0.10424	3.25	\$0.08124	3.25	\$0.07179
3.30	\$0.10429	3.30	\$0.08128	3.30	\$0.07182
3.35	\$0.10435	3.35	\$0.08132	3.35	\$0.07186
3.40	\$0.10440	3.40	\$0.08137	3.40	\$0.07190
3.45	\$0.10445	3.45	\$0.08141	3.45	\$0.07194
3.50	\$0.10451	3.50	\$0.08145	3.50	\$0.07197
3.55	\$0.10456	3.55	\$0.08149	3.55	\$0.07201
3.60	\$0.10462	3.60	\$0.08154	3.60	\$0.07205
3.65	\$0.10467	3.65	\$0.08158	3.65	\$0.07209
3.70	\$0.10472	3.70	\$0.08162	3.70	\$0.07212
3.75	\$0.10478	3.75	\$0.08166	3.75	\$0.07216
3.80	\$0.10483	3.80	\$0.08170	3.80	\$0.07220
3.85	\$0.10489	3.85	\$0.08175	3.85	\$0.07224
3.90	\$0.10494	3.90	\$0.08179	3.90	\$0.07227
3.95	\$0.10500	3.95	\$0.08183	3.95	\$0.07231
4.00	\$0.10505	4.00	\$0.08188	4.00	\$0.07235
4.05	\$0.10511	4.05	\$0.08192	4.05	\$0.07239
4.10	\$0.10516	4.10	\$0.08196	4.10	\$0.07242
4.15	\$0.10522	4.15	\$0.08200	4.15	\$0.07246
4.20	\$0.10527	4.20	\$0.08205	4.20	\$0.07250
4.25	\$0.10533	4.25	\$0.08209	4.25	\$0.07254
4.30	\$0.10538	4.30	\$0.08213	4.30	\$0.07258
4.35	\$0.10544	4.35	\$0.08217	4.35	\$0.07261
4.40	\$0.10549	4.40	\$0.08222	4.40	\$0.07265
4.45	\$0.10555	4.45	\$0.08226	4.45	\$0.07269
4.50	\$0.10560	4.50	\$0.08230	4.50	\$0.07273

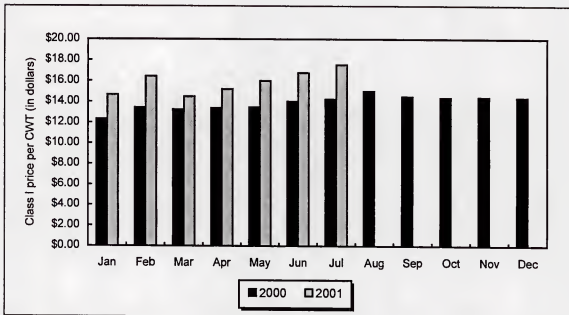
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$15.20	\$1.81	13.52%
May	\$13.48	\$15.99	\$2.51	18.62%
June	\$14.03	\$16.76	\$2.73	19.46%
July	\$14.25	\$17.54	\$3.29	23.09%
August	\$15.01	\$0.00		
September	\$14.50	\$0.00		
October	\$14.39	\$0.00		
November	\$14.44	\$0.00		
December	<u>\$14.37</u>	<u>\$0.00</u>		
Average	\$13.91	\$9.26	\$2.41	17.87%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

APR 2001: class I = \$9.31; class II = \$1.43; Class III = \$3.42; total = \$14.16

(calculations based upon utilization percentages of butterfat & skim)